

ANALYSIS OF PROPOSITION H

By Robert E. Shannon, City Attorney

Voter approval of Proposition H would add Sections 3.80.222, 3.80.224, 3.80.225 and 3.80.227 to the Long Beach Municipal Code, and establish an additional twenty-five cent per barrel production tax on oil producers within the City of Long Beach, the use of which will be dedicated to certain purposes. Approval of this measure will require an affirmative vote of two-thirds of the voters.

Presently, the City of Long Beach imposes a fifteen cent per barrel tax on the business of oil production from wells located in the City of Long Beach. The proposed Municipal Code amendment would impose an additional tax of twenty-five cents per barrel on that production (the “special tax”). The special tax would be further adjusted for inflation/deflation as measured by the Los Angeles–Riverside–Orange County Area Consumer Price Index. In the event that the price per barrel (as reported on the West Texas Intermediate Crude Index) falls below twenty dollars for any month, the special tax would be suspended for that month. The proceeds from this special tax may only be used for police officers and firefighters, and related costs including, but not limited to, equipment, facilities and training.